operating units created before April 1, 2000 in software technology parks as per recent clarification given by the Ministry of Finance; and

(b) if so, what are the reasons for offering exemption to those units?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) Yes Sir, provided the necessary conditions are met.

(b) This is in view of the commitment for a 10 year tax holiday already made by the Government in the past for units set up in STPs, based on which units would have been set up.

Withdrawal of Notices Served on FIIs

3287. SHRI V.P. DURAISAMY: Will the Minister of FINANCE be pleased to state:

(a) Whether the Ministry of Finance has withdrawn tax notices relating to capital gains tax served on to five Foreign Institutional Investors (FIIs), owing to pressure from corporate lobbies based in Mauritius;

(b) if so, the details there of; and

(c) whether the Ministry extended the similar facility to the FIIs based in other countries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) No Sir.

(b) Does not arise.

(c) Foreign Institutional Investors based in other countries enjoy the benefits, if any, in accordance with the Treaties in force with those countries in which they are resident.

Effect of reduction in CRR and Bank rates on weak banks

3288. SHRI V.P. DURAISAMY:
SHRI C.P. THIRUNAVUKKARASU:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that reduction in cash reserve ratio and bank rate

would affect profitability of the public sector banks and the financial institutions;

(b) whether by this announcement the weak banks which are already under tremendous pressure will be further affected;

(c) whether it is a fact that when the interest rate was low in 1995-96 disbursement has not increased; and

(d) if so, in what manner reduction in CRR and bank rates would improve the economy now?

THE MINISTER OF STATE in THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) As the impact of the reduction in CRR and the bank rate is likely to be favourable to banking industry in general, weak banks are also expected to benefit from these measures.

(c) No, Sir. Scheduled Commercial Banks' credit disbursement had increased significantly by 20.1 per cent during 1995-96.

(d) Reductions in CRR and the Bank Rate are expected to augment lendable resources of banks and result in lowering the cost of funds for working capital. These measures are expected to improve investment and thereby have a favourable impact on the economy.

Income-tax dues against big business houses

3289. SHRI RAMACHANDRAIAH RUMANDLA: Will the Minister of FINANCE be pleased to state:

(a) the details of outstanding income tax dues against the big business houses in the country; and

(b) the action taken for their early recovery?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) The list of 100 top industrial/commercial units, i.e., big business houses where demand is outstanding as an 31.12.99 is enclosed as statement. (*See* below)